

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF MAY 31, 2004

	May-04				April-04				March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Net ROR	Net ROR	6/30/2003	6/30/2003
LARGE CAP DOMESTIC EQUITY																								
Structured Growth																								
LA Capital	57,357,005	4.5%	4.5%	1.61%	56,458,370	4.4%	4.5%	-0.83%	56,474,277	4.3%	4.5%	-0.35%	56,596,294	4.4%	4.5%	9.09%	51,838,717	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	1	0.0%	0.0%	N/A	10	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	57,357,005	4.5%	4.5%	1.61%	56,458,371	4.4%	4.5%	-0.83%	56,474,287	4.3%	4.5%	-0.35%	56,596,294	4.4%	4.5%	9.09%	51,838,717	4.4%	4.5%	6.61%	16.79%	-1.48%	-20.46%	-5.64%
Russell 1000 Growth				1.86%				-1.16%				0.79%				10.41%				3.92%	16.42%	2.93%	-21.55%	-5.04%
Structured Value																								
LSV	59,137,384	4.6%	4.5%	0.51%	58,812,350	4.6%	4.5%	-2.29%	60,837,450	4.6%	4.5%	6.04%	62,431,391	4.9%	4.5%	15.58%	54,142,627	4.6%	4.5%	3.33%	24.37%	-2.05%	9.06%	3.95%
Russell 1000 Value				1.02%				-2.44%				3.03%				14.19%				2.06%	18.33%	-1.02%	-2.19%	-0.17%
Enhanced Russell 1000 Index																								
LA Capital	58,950,900	4.6%	4.5%	1.50%	58,101,824	4.5%	4.5%	-1.67%	59,556,959	4.5%	4.5%	1.58%	58,574,591	4.6%	4.5%	11.77%	52,397,265	4.5%	4.5%	2.87%	16.57%	1.08%	N/A	N/A
Russell 1000				1.44%				-1.81%				1.90%				12.26%				3.00%	17.37%	0.96%	N/A	N/A
Enhanced S&P 500 Index																								
Northern Trust	56,711,767	4.4%	4.5%	1.27%	55,990,413	4.4%	4.5%	-1.60%	56,488,320	4.3%	4.5%	1.81%	55,434,137	4.4%	4.5%	12.40%	49,310,551	4.2%	4.5%	2.50%	16.88%	0.28%	N/A	N/A
Strong	58,368,752	4.5%	4.5%	1.01%	57,680,644	4.5%	4.5%	-1.82%	58,734,387	4.5%	4.5%	2.68%	57,156,326	4.5%	4.5%	12.76%	50,694,242	4.3%	4.5%	2.89%	18.14%	3.30%	N/A	N/A
Westridge	61,830,499	4.8%	4.5%	1.39%	60,967,539	4.7%	4.5%	-1.56%	61,494,988	4.7%	4.5%	1.73%	60,396,621	4.7%	4.5%	12.22%	53,820,227	4.6%	4.5%	2.65%	16.96%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	176,911,018	13.7%	13.5%	1.22%	174,638,596	13.6%	13.5%	-1.66%	176,717,695	13.4%	13.5%	2.07%	172,987,083	13.6%	13.5%	12.46%	153,825,020	13.1%	13.5%	2.68%	17.32%	1.35%	N/A	N/A
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.24%	N/A	N/A
S&P 500 Index																								
State Street	39,419,263	3.1%	3.0%	1.37%	38,884,879	3.0%	3.0%	-1.56%	39,890,540	3.0%	3.0%	1.68%	39,199,011	3.1%	3.0%	12.16%	34,944,955	3.0%	3.0%	2.64%	16.81%	0.31%	-11.14%	-1.58%
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	391,775,570	30.4%	30.0%	1.23%	386,896,020	30.1%	30.0%	-1.63%	393,476,931	29.9%	30.0%	2.20%	389,788,370	30.6%	30.0%	12.31%	347,148,586	29.7%	30.0%	3.02%	17.75%	0.49%	-9.68%	-2.32%
S&P 500				1.37%				-1.57%				1.69%				12.18%				2.64%	16.84%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																								
Manager-of-Managers																								
SEI	134,255,759	10.4%	10.0%	1.07%	132,894,990	10.3%	10.0%	-5.01%	139,871,399	10.6%	10.0%	6.62%	135,948,739	10.7%	10.0%	14.87%	122,768,785	10.5%	10.0%	9.68%	28.98%	0.68%	N/A	N/A
Russell 2000 + 200bp				1.76%				-4.93%				6.78%				15.07%				9.60%	30.28%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	134,255,759	10.4%	10.0%	1.07%	132,894,990	10.3%	10.0%	-5.01%	139,871,399	10.6%	10.0%	6.62%	135,948,739	10.7%	10.0%	14.87%	122,768,785	10.5%	10.0%	9.68%	28.98%	0.68%	-3.37%	-0.65%
Russell 2000				1.59%				-5.10%				6.26%				14.52%				9.07%	27.97%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																								
Large Cap - Core																								
State Street	27,169,664	2.1%	2.0%	-0.93%	27,351,934	2.1%	2.0%	-0.92%	27,601,126	2.1%	2.0%	4.40%	29,040,623	2.3%	2.0%	14.32%	25,214,812	2.2%	2.0%	6.08%	24.27%	-9.96%	-13.28%	-4.72%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-14.65%	-4.18%
Large Cap - Active																								
Capital Guardian	67,931,678	5.3%	5.0%	-0.99%	68,488,520	5.3%	5.0%	-0.46%	68,755,202	5.2%	5.0%	3.06%	70,169,475	5.5%	5.0%	13.62%	61,325,566	5.2%	5.0%	7.45%	23.99%	-11.30%	-14.96%	0.47%
Bank of Ireland	13,635,220	1.1%	1.0%	0.31%	13,581,406	1.1%	1.0%	-0.98%	13,682,145	1.0%	1.0%	1.56%	13,799,845	1.1%	1.0%	17.43%	11,668,820	1.0%	1.0%	2.64%	21.59%	-10.28%	N/A	N/A
Total Large Cap - Active	81,566,898	6.3%	6.0%	-0.77%	82,069,925	6.4%	6.0%	-0.55%	82,437,347	6.3%	6.0%	2.81%	83,969,319	6.6%	6.0%	14.22%	72,994,387	6.2%	6.0%	6.65%	23.59%	-11.12%	-14.58%	0.74%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-14.65%	-4.18%
Small Cap - Active																								
Lazard	14,230,244	1.1%	1.0%	0.35%	14,147,505	1.1%	1.0%	-0.36%	14,199,242	1.1%	1.0%	9.25%	13,934,493	1.1%	1.0%	14.41%	13,370,769	1.1%	1.0%	10.66%	38.30%	-2.32%	N/A	N/A
Wellington	13,984,571	1.1%	1.0%	-2.57%	14,669,296	1.1%	1.0%	-1.17%	14,835,439	1.1%	1.0%	9.31%	13,909,184	1.1%	1.0%	11.59%	14,027,503	1.2%	1.0%	17.22%	37.66%	5.97%	N/A	N/A
Total Small Cap - Active	28,214,815	2.2%	2.0%	-1.14%	28,816,801	2.2%	2.0%	-0.78%	29,034,681	2.2%	2.0%	9.28%	27,843,677	2.2%	2.0%	12.90%	27,398,271	2.3%	2.0%	13.94%	37.90%	1.75%	N/A	N/A
Citigroup Broad Market Index < \$2BN				-1.40%				-3.20%				12.80%				13.31%				15.95%	41.45%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	136,951,377	10.6%	10.0%	-0.88%	138,238,660	10.8%	10.0%	-0.67%	139,073,154	10.6%	10.0%	4.43%	140,853,620	11.1%	10.0%	13.97%	125,607,470	10.7%	10.0%	8.04%	26.60%	-8.22%	-12.63%	-0.99%
MSCI EAFE - 50% Hedged				-0.57%				-0.53%				4.09%				13.15%				6.58%	24.15%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																								
Capital Guardian	62,621,366	4.9%	5.0%	-2.99%	73,059,920	5.7%	5.0%	-7.32%	78,829,987	6.0%	5.0%	9.14%	72,232,247	5.7%	5.0%	14.85%	66,631,691	5.7%	5.0%	14.62%	29.17%	7.15%	-10.61%	1.62%
MSCI Emerging Markets Free				-1.97%				-8.18%				9.71%				17.81%				14.23%	32.89%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																								
Core Bond																								
Western Asset	39,292,533	3.1%	3.1%	-0.20%	39,377,183	3.1%	3.1%	-2.29%	40,257,366	3.1%	3.2%	2.82%	35,371,780	2.8%	3.2%	1.24%	34,417,610	2.9%	3.1%	-0.47%	1.04%	13.42%	11.88%	8.58%
Lehman Aggregate				-0.40%				-2.60%				2.66%				0.32%				-0.15%	-0.24%	10.39%	10.07%	7.54%
Active Duration																								
WestAM (Criterion)	38,727,994	3.0%	3.1%	-0.52%	34,768,546	2.7%	3.1%	-2.42%	35,624,737	2.7%	3.2%	2.44%	34,671,173	2.7%	3.2%	0.31%	34,018,566	2.9%	3.1%	-0.40%	-0.64%	9.93%	9.39%	6.85%
Lehman Aggregate				-0.40%				-2.60%				2.66%				0.32%				-0.15%	-0.24%	10.39%	10.07%	7.54%
Index																								
Bank of ND	60,752,781	4.7%	5.0%	-0.60%	61,156,343	4.8%	5.0%	-3.06%	63,084,348	4.8%	5.0%	3.09%	54,493,573	4.3%	4.9%	-0.10%	54,655,238	4.7%	4.8%	-0.73%	-1.51%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	12,916,452	1.0%	1.0%	0.43%	12,861,638	1.0%	1.0%	0.41%	12,808,593	1.0%	1.0%	0.87%	13,540,670	1.1%	1.1%	1.41%	13,516,361	1.2%	1.2%	1.43%	4.63%	5.83%	5.84%	5.85%
Total Index	73,669,232	5.7%	6.0%	-0.40%	74,017,981	5.8%	6.0%	-2.40%	75,892,941	5.8%	6.0%	2.61%	68,034,243	5.3%	6.0%	0.23%	68,171,600	5.8%	6.0%	-0.21%	-0.24%	10.77%	10.08%	7.44%
Lehman Gov/Credit				-0.51%				-3.07%				3.08%				-0.03%				-0.50%	-1.12%	13.15%	10.82%	7.83%

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	May-04				April-04				March-04				December-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month	Net ROR	Allocation		Month	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Allocation		Quarter	Net ROR	Net ROR	Net ROR	6/30/2003	5 Years 6/30/2003
Market Value	Actual	Policy	Market Value		Actual	Policy	Market Value		Actual	Policy	Market Value		Actual	Policy	Market Value		Actual	Policy	Market Value					
Convertibles																								
TCW	39,005,114	3.0%	3.1%	1.37% 0.64%	38,556,072	3.0%	3.1%	-2.25% -1.93%	39,391,315	3.0%	3.2%	2.53% 3.60%	38,305,398	3.0%	3.2%	10.00% 8.54%	35,017,988	3.0%	3.1%	1.84% 2.67%	13.81% 13.94%	10.37% 15.35%	-9.08% -3.81%	N/A N/A
First Boston Convertible Index																								
BBB Average Quality																								
Strong	37,445,967	2.9%	3.1%	-0.87% -0.81%	37,786,366	2.9%	3.1%	-3.28% -3.22%	39,053,023	3.0%	3.2%	3.37% 3.41%	35,035,789	2.8%	3.2%	1.47% 1.22%	34,720,841	3.0%	3.1%	0.16% 0.27%	0.72% 0.76%	14.81% 18.33%	10.35% 9.91%	N/A N/A
Lehman BBB																								
Timberland																								
Evergreen (Wachovia)	70,637,625	5.5%	5.5%	-0.05%	70,685,523	5.5%	5.5%	1.80%	69,402,018	5.3%	5.3%	1.96%	67,777,483	5.3%	5.3%	6.11%	64,138,631	5.5%	5.5%	-0.15%	9.91%	12.50%	N/A N/A	N/A N/A
TOTAL DOMESTIC FIXED INCOME																								
Lehman Aggregate	298,778,465	23.2%	24.0%	-0.09% -0.40%	295,191,672	23.0%	24.0%	-1.47% -2.60%	299,621,400	22.8%	24.0%	2.62% 2.66%	279,195,865	21.9%	24.0%	3.16% 0.32%	270,485,236	23.1%	24.0%	0.11% -0.15%	4.32% -0.24%	11.62% 10.39%	6.95% 10.07%	6.77% 7.54%
HIGH YIELD BONDS																								
Western Asset	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	65,854,837	5.0%	5.0%	1.39% 2.34%	64,957,984	5.1%	5.0%	5.54% 5.91%	61,549,306	5.3%	5.0%	1.99% 2.77%	N/A N/A	20.04% 22.77%	2.51% 5.44%	4.15% 2.66%
Lehman High Yield Bond Index																								
Loomis Sayles	31,220,547	2.4%	2.5%	-2.30% -1.73%	31,941,757	2.5%	2.5%	-2.39% -0.44%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A N/A	N/A N/A	N/A N/A
Lehman High Yield Cash Pay Index																								
Sutter/Wells Capital	32,269,899	2.5%	2.5%	-0.92% -1.57%	32,564,697	2.5%	2.5%	-0.62% -0.66%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A N/A	N/A N/A	N/A N/A
Merrill Lynch High Yield Master II Index																								
TOTAL HIGH YIELD BONDS																								
Lehman High Yield Bond Index	63,490,446	4.9%	5.0%	-1.60% -1.69%	64,506,455	5.0%	5.0%	-1.51% -0.68%	65,854,837	5.0%	5.0%	1.39% 2.34%	64,957,984	5.1%	5.0%	5.54% 5.91%	61,549,306	5.3%	5.0%	1.99% 2.77%	5.76% 8.77%	20.04% 22.77%	2.51% 5.44%	4.15% 2.66%
INTERNATIONAL FIXED INCOME																								
International Sovereign																								
UBS Global (Brinson)	30,300,155	2.4%	2.5%	1.66% 1.07%	30,027,541	2.3%	2.5%	1.66% -4.56%	31,413,185	2.4%	2.5%	1.43% 1.57%	30,970,189	2.4%	2.5%	6.49% 6.71%	27,027,414	2.3%	2.5%	3.18% 2.75%	15.18% 7.41%	18.20% 17.91%	8.47% 8.10%	5.93% 6.29%
Citigroup Non-US Gov't Bond Index (1)																								
International Core																								
Brandywine	31,609,656	2.5%	2.5%	1.46% 1.13%	31,114,906	2.4%	2.5%	-2.35% -4.40%	31,874,617	2.4%	2.5%	1.75% -0.93%	31,323,368	2.5%	2.5%	7.30% 6.77%	26,451,362	2.3%	2.5%	1.51% 2.76%	9.81% 5.09%	N/A N/A	N/A N/A	N/A N/A
Lehman Global Aggregate (ex-US)																								
TOTAL INTERNATIONAL FIXED INCOME																								
Citigroup Non-US Gov't Bond Index (1)	61,909,811	4.8%	5.0%	1.56% 1.07%	61,142,448	4.8%	5.0%	-0.34% -4.56%	63,287,803	4.8%	5.0%	1.60% 1.57%	62,293,557	4.9%	5.0%	6.91% 6.71%	53,478,776	4.6%	5.0%	2.34% 2.75%	12.51% 7.41%	17.83% 17.91%	8.36% 8.10%	5.86% 6.29%
REAL ESTATE																								
JMB	15,974			0.00%	15,974			0.00%	15,974			0.02%	16,912			12.83%	26,405			-8.75%	2.98%	-18.62%	-5.76%	0.42%
INVESCO	33,167,925			0.32%	33,062,296			0.18%	33,002,324			1.88%	32,830,521			2.16%	25,898,627			0.37%	4.99%	8.15%	8.00%	7.69%
J.P. Morgan	33,812,278			1.45%	33,330,543			0.35%	33,214,897			1.95%	32,580,709			3.16%	31,584,102			2.43%	9.65%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE																								
NCREIF TOTAL INDEX	66,996,176	5.2%	5.0%	0.63% 0.85%	66,408,813	5.2%	5.0%	0.63% 0.85%	66,233,194	5.0%	5.0%	1.96% 2.56%	65,428,141	5.1%	5.0%	2.63% 2.76%	57,509,135	4.9%	5.0%	1.36% 1.97%	7.41% 9.29%	7.97% 7.64%	7.69% 8.51%	9.00% 10.16%
ALTERNATIVE INVESTMENTS																								
Brinson IVCF II	206,424			0.00%	207,558			0.00%	187,615			-5.80%	199,179			11.72%	275,245			-0.23%	4.99%	-7.44%	-23.62%	10.02%
Coral Partners II	119,302			0.00%	119,302			0.00%	118,546			1.20%	115,719			2.23%	167,358			9.73%	13.52%	10.56%	-36.34%	-15.79%
Coral Partners V	7,681,076			0.00%	7,674,585			0.00%	10,236,433			0.00%	10,466,835			-1.26%	10,093,446			-6.88%	-8.05%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	687,627			0.00%	687,046			0.00%	732,698			66.55%	520,734			-0.95%	525,087			-15.67%	39.12%	-28.36%	N/A	N/A
Coral Partners VI	3,897,174			0.00%	3,893,880			0.00%	3,954,096			-5.08%	1,568,769			-4.63%	1,642,935			-12.18%	-20.50%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,855,469			0.00%	1,853,901			0.00%	1,853,702			4.04%	1,783,176			2.36%	1,842,152			4.07%	10.84%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,718,750			0.00%	2,438,591			0.00%	2,438,328			5.59%	2,392,327			4.99%	2,275,838			0.98%	11.94%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	5,060,815			0.00%	4,221,866			0.00%	4,221,412			3.85%	4,068,297			2.47%	3,659,166			0.67%	7.13%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	2,057,167			0.00%	1,599,571			0.00%	1,599,399			3.95%	1,246,887			-1.11%	1,259,372			0.43%	3.24%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	1,168,458			0.00%	1,167,471			0.00%	1,167,345			1.28%	843,278			-1.16%	852,192			12.21%	12.32%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	168,704			0.00%	168,561			0.00%	168,543			2.18%	82,400			-0.24%	82,498			-3.58%	-1.71%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,388,467			0.00%	1,258,551			0.00%	1,258,416			10.02%	1,144,744			5.58%	1,246,189			6.32%	23.50%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,677,974			0.00%	1,676,556			0.00%	1,676,376			8.72%	1,543,173			0.52%	1,533,423			2.82%	12.37%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	1,065,936			0.00%	1,065,035			0.00%	1,064,920			6.10%	848,296			1.18%	837,408			7.50%	15.40%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,551,505			0.00%	1,550,194			0.00%	1,550,028			8.66%	1,285,056			0.96%	1,158,626			3.71%	13.77%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	398,277			0.00%	218,331			0.00%	218,308			-0.37%	219,289			0.05%	75,361			-0.05%	-0.37%	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	74,216			0.00%	74,153			0.00%	-			N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	7,836,890			0.00%	7,830,267			0.00%	6,718,008			14.62%	5,866,060			-3.67%	6,082,204			-1.02%	9.29%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	11,212,899			0.00%	11,648,201			0.00%	13,232,259			0.47%	13,740,120			10.99%	12,364,863			0.00%	11.50%	N/A	N/A	N/A
InvestAmerica	1,605,527			0.00%	1,604,170			0.00%	1,603,997			-7.73%	1,739,848			0.00%	1,737,784			0.00%	-7.73%	-12.50%	N/A	N/A
Hearthstone MSII	1,496,474			0.00%	1,495,209			0.00%	817,268			0.00%	1,973,922			15.36%	2,348,807			5.06%	21.20%	28.98%	13.57%	N/A
Hearthstone MSIII	7,140,578			0.00%	4,471,595			0.00%	4,462,336			-0.85%	4,988,857			0.00%	293,462			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)																								
CASH EQUIVALENTS																								
Northern Trust STIF/STEP	9,821,560	0.8%	1.0%	0.10% 0.09%	10,033,490	0.8%	1.0%	0.13% 0.08%	9,289,514	0.7%	1.0%	0.36% 0.24%	6,680,284	0.5%	1.0%	0.32% 0.26%	14,952,391	1.3%	1.0%	0.35% 0.25%	1.27% 0.91%	1.84% 1.52%	3.33% 3.33%	4.22% 4.07%
90 Day T-Bill																								
TOTAL FUND																								
POLICY TARGET BENCHMARK	1,287,670,237	100.0%	100.0%	0.22% 0.33%	1,285,297,061	100.0%	100.0%	-1.92% -2.29%	1,314,818,252	100.0%	100.0%													